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Adapting to the 'New Normal'

Introduction

We are amidst unprecedented times. Such an upheaval has not been seen in the history of human development that has otherwise been dotted by wars, social, financial, and political turmoil and disease. Nowhere in our history have we been left without predictors that have helped us map potential future outcomes and plan for them. We live in what has been termed as 'the new normal', which asks for minute and major adjustments daily, to the ways we work and live.

People, Process, & Policy

From a legal perspective, the impact and resultant action to manage the unique circumstances created by the pandemic may be understood under three broad heads - People, Process, & Policy.

People

Given that the biggest assets of a business entity are its people, especially in the Banking & Financial services industry, it is imperative that employees are protected and their ability to deliver on performance metrics and customer SLAs is unimpeded. Remote working conditions have their challenges including but not limited to infrastructure issues, data privacy, technology and security. Continued provision of services come at an additional cost having an impact on the structure and payout of compensation.

Process

From a process perspective, there needs to be a great stress on facilitation through the induction of a robust and adaptive technology backbone and any concerns for operational sanctity, data privacy, data protection, TAT management addressed and monitored regularly. The progression on digitization has been accelerated in a big way and customers today prefer a virtual engagement to visiting physical locations, however the increased workload on systems and people need to be factored in to ensure that customer lifecycle management is continuous.

Policies

The organizational policies that were considered gold standard just a few months ago now seem to have some gaps that need to be catered to. An organization's policies on vendor management, compliance and disclosures, shareholder and other statutory reporting, risk management framework all are open to scrutiny and much needed updation commensurate with the present-day situation. Issues such as force majeure, restructuring of payments schedules, delay of receivables are all matters consuming most industries and there is the need to demonstrate leniency and relax the cash flow requirements or delivery terms. Likewise, in the case of shareholder or investor engagements, there is a need to ensure constant contact and assurance through non-traditional means, e.g. the senior management can still directly address their employees or investors on a virtual call platform as against a traditional event at a hotel banquet hall.

Conclusion

This pandemic has forced most companies to go back to the drawing board and ascertain ways to make the business more efficient, diversify and continue to evolve with the crunch in turnover. Banks, non-banking finance companies and insurance companies have all seen a significant rise in delinquencies and notwithstanding the extension of time for payments approved both by the Reserve Bank of India and Insurance Regulatory & Development Authority, it is important for the commercial and legal teams to reconsider contractual arrangements with internal and external audiences and reset growth parameters. There is a need to analyse the contents of all arrangements and evaluate them with a restatement in the short term so that all parties concerned may deliver interim support to each other while adhering to the spirit of the contractual arrangement. Similarly, in the case of human resources, there is a need to revise policies and disseminate information to provide

employees an assurance of their place in the overall company and the fact that they are being thought of carefully. This is perhaps the only time in the history of business that the legal function of organizations will be looked at not as a rapier, given the protection it seeks to offer to all parties concerned.

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